

**39<sup>th</sup> MEETING**  
**OF THE**  
**MARYLAND HEALTH CARE COMMISSION**

**Tuesday, November 26, 2002**  
**Minutes**

Chairman Wilson called the meeting to order at 1:08 p.m.

Commissioners present: Beasley, Chase, Crofoot, Jensen, and Malouf. Commissioner Zanger participated by speaker telephone.

**ITEM 1.**

**Update on Commission Activities**

- Data Systems and Analysis
- Health Resources
- Performance and Benefits

Ben Steffen, Deputy Director of Data Systems and Analysis, announced that Version 2 of the HIPAA assessment tool would soon be available at a very reduced charge. The first version was distributed to approximately 550 Maryland practitioners. For the remainder of the activities of his division, Mr. Steffen referred the Commissioners to the Data Systems and Analysis section of the *Update of Activities*.

Pamela Barclay, Deputy Director of Health Resources referred the Commissioners to the Health Resources section of the *Update of Activities*.

Barbara G. McLean, Executive Director, reported on behalf of the Performance and Benefits Division that Maryland will be the lead state in the Centers for Medicare and Medicaid Services (CMS) hospital report card pilot project. Other participating states are New York and Arizona. She referred the Commissioners to the Performance and Benefits section of the *Update of Activities* for further information on the status of the division's projects. Copies of the *Update* were available on the documents table and on the Commission's website at: <http://www.mhcc.state.md.us/mhccinfo/cmsnmtgs/updates/>.

**ITEM 2.**

**PROPOSED ACTION AND RELEASE FOR PUBLIC COMMENT: HMO Quality and Performance**  
**— Requirements for Reporting for Commercial HMOs in 2003 & 2004**

Chairman Wilson said that every year, the Commission notifies HMOs of our reporting requirements for the coming year and following year. Pam Cheetham, who was Division Chief of HMO Quality and Performance, has left the Commission to continue a career in performance reporting at CMS. Joyce Burton, Health Policy Analyst, presented the reporting requirements. Ms. Burton said that no new measures have

been added for next year. Staff recommended that data not be collected for the practitioner compensation measure and for the prescription formulary; a revision to the CAPHS survey data collection; and that no rotation of measures by health plans occur next year. Commissioner Evelyn Beasley made a motion to approve the release for public comment, which was seconded by Commissioner Allan Jensen, and unanimously approved.

**ACTION: The HMO Quality and Performance — Requirements for Reporting for Commercial HMOs in 2003 & 2004 are hereby RELEASED FOR PUBLIC COMMENT.**

### **ITEM 3.**

**PRESENTATION AND RELEASE FOR PUBLIC COMMENT:** Report on Mandated Health Insurance Services

Chairman Wilson said that the Commission is required by law to review proposed mandated benefits to be considered in the next legislative session as to the fiscal, medical, and social impact. Jerry Petrik, Chief, Benefits and Analysis, along with Bruce Kangisser, our actuary from William M. Mercer, presented a summary of this year's report. Mr. Petrik said that Commission staff and Mercer staff had assessed the fiscal impact of current mandates with regard to average annual wage and premiums in four insurance programs. In the event that the full cost of the mandates exceeds 2.2% of the average annual wage, the Commission will be required to perform a full review of the existing mandates. The full cost of the 40 existing mandated services/offerings is slightly under 2.2% of the average annual wage. Last year the full cost was just under 2.1%. The proposed mandates reviewed were Health Insurance Carriers-In Vitro Fertilization – Conditions for Provision of Benefits; Health Insurance Coverage for Vaccinations Against Meningococcal Disease, Health Insurance Carriers – Standing Referrals to Specialists; and Mental Illness Coverage Period for Children. The Commission will receive public comment until 5:00 pm on December 13, 2002. The Commission will review and approve the report at the December 19, 2002 meeting. Vice Chairman George Malouf made a motion to approve the release of the report for public comment, which was seconded by Commissioner Beasley, and unanimously approved.

**ACTION: The Mandated Health Insurance Services Evaluation Report is hereby RELEASED FOR PUBLIC COMMENT.**

### **ITEM 4.**

#### **Approval of Minutes**

Vice Chairman Malouf made a motion to approve the Minutes of the October meeting of the Commission, which was seconded by Commissioner Beasley. Commissioner Jensen requested amendment of the Minutes to show that he attended the meeting. With the revision, the Minutes were unanimously approved.

### **ITEM 5.**

#### **PROMULGATION OF REGULATIONS:**

- **FINAL ACTION: COMAR 10.24.03** — Maryland Long Term Care Survey
- **FINAL ACTION: COMAR 10.24.04** — Freestanding Ambulatory Surgical Facility Survey

- **FINAL ACTION: COMAR 10.25.04** — Hospital Quality and Performance Evaluation System
- **FINAL ACTION: COMAR 10.25.05** — Small Group Market
- **FINAL ACTION: COMAR 10.25.06** — Maryland Medical Care Data Base and Data Collection
- **FINAL ACTION: COMAR 10.25.07** — Electronic Health Network Collection
- **FINAL ACTION: COMAR 10.25.08** — Health Maintenance Organization Quality and Performance Evaluation System
- **FINAL ACTION: COMAR 10.25.12** — Imposition of Fines

Chairman Wilson announced that Suellen Wideman, one of the Commission's Assistant Attorneys General, would present a related set of regulations for final action. Ms. Wideman said that these regulations all relate to the Commission's fining authority and therefore several areas of regulations are impacted. No comments were received by the Commission. Vice Chairman George Malouf made a motion to adopt all of the regulations, which was seconded by Commissioner Ernest Crofoot, and unanimously approved.

**ACTION: COMAR 10.24.03 — Maryland Long Term Care Survey is hereby APPROVED.**

**ACTION: COMAR 10.24.04 — Freestanding Ambulatory Surgical Facility Survey is hereby APPROVED.**

**ACTION: COMAR 10.24.04 — Hospital Quality and Performance Evaluation System is hereby APPROVED.**

**ACTION: COMAR 10.25.05 — Small Group Market is hereby APPROVED.**

**ACTION: COMAR 10.25.06 — Maryland Medical Care Data Base and Data Collection is hereby APPROVED.**

**ACTION: COMAR 10.25.07 — Electronic Health Network Collection is hereby APPROVED.**

**ACTION: COMAR 10.25.08 — Health Maintenance Organization Quality and Performance Evaluation System is hereby APPROVED.**

**ACTION: COMAR 10.25.12 — Imposition of Fines is hereby APPROVED.**

## **ITEM 6.**

**ACTION: COMAR 31.11.06 — Comprehensive Standard Health Benefit Plan**

Ms. Wideman presented a regulation encompassing the several changes to the Comprehensive Standard Health Benefit Plan offered in the small group market. Commissioner Crofoot made a motion to approve the regulation, which was seconded by Commissioner Allan Jensen, and unanimously approved.

**ACTION: COMAR 31.11.06 — Comprehensive Standard Health Benefit Plan is hereby APPROVED.**

**ITEM 7.**

**ACTION: CERTIFICATE OF NEED**

- Arundel Ambulatory Surgery Center, Docket No. 01-02-2092 — Action on Reviewer's Proposed Decision
- Walden Sierra Substance Abuse ICF Expansion and Relocation, Docket No. 02-18-2097 — Action on Staff Recommendation

**Arundel Ambulatory Surgery Center, Docket No. 01-02-2092 — Action on Reviewer's Proposed Decision**

Chairman Wilson announced that the next agenda item was two Certificate of Need actions. Susan Panek, Chief of Certificate of Need, said that Arundel Ambulatory Surgery Center (AASC) is an office-based center with one operating room and two procedures rooms located in Annapolis, Anne Arundel County, Maryland. AASC sought to add a second operating room to this facility. The total cost of the proposed project is \$475,218. AASC will finance \$400,000 of the project cost through a conventional bank loan, and provide the balance of the funding from cash equity. Anne Arundel Medical Center was an Interested Party in this matter. They did not file Exceptions to Commissioner Lenys Alcoreza's proposed decision. Ms. Panek introduced Angus Everton, counsel to AASC, Andy Solberg, AASC's consultant, and Lisa Hogan, practice manager for AASC to the Commission. Commissioner Jensen presented findings on behalf of Commissioner Alcoreza, the Reviewer in this matter. She considered the arguments presented by AASC and Anne Arundel Medical Center, as well as staff's analysis in reaching her recommendation. Factors such as AASC's projected growth in surgical volume for the next two years, the growth in the number of surgical cases performed by each physician with surgical privileges in the center, the expected hiring of surgeons who will perform additional outpatient cases at AASC, and the growth in the population residing in the service area, all will increase the number of surgical cases performed at AASC in the future. By the year 2004, AASC projects that surgical volume will increase to 2,478 to 2,678 cases, which will exceed the State Health Plan threshold of 2,304 cases for two dedicated outpatient operating rooms. The addition of a second operating room will have relatively little impact on existing hospital-based ambulatory surgery providers, including Anne Arundel Medical Center. She recommended that the Commission approve the CON application by AASC to add a second operating room to an existing physician's office with ambulatory surgery capacity. Commissioner Jensen made a motion to approve the CON, which was seconded by Commissioner Crofoot, and unanimously approved.

**ACTION: CERTIFICATE OF NEED for Arundel Ambulatory Surgery Center, Docket No. 01-02-2092 is hereby APPROVED.**

**Walden Sierra Substance Abuse ICF Expansion and Relocation, Docket No. 02-18-2097 — Action on Staff Recommendation**

Abe Turay, Health Policy Analyst, presented a summary of this matter. On behalf of St. Mary's County government and its local health department, Walden Sierra, Inc., a non-profit organization providing substance abuse treatment and related behavioral health services primarily in the three counties of Southern Maryland, applied for CON approval to relocate its current 20-bed intermediate care facility (ICF) for substance abuse treatment from Leonardtown to Charlotte Hall, both in St. Mary's county. The application also sought CON approval to more than double its present ICF bed capacity, adding twenty-two beds for

adult women, including a specialized program from pregnant women and women with infants and young children. Mr. Turay introduced Kathleen O'Brien, Kathleen Slagle, and Darrel Lynch to the Commission. There were no interested parties to this review. Staff recommended that the Commission approve the CON application. Vice Chairman Malouf made a motion to approve the CON, which was seconded by Commissioner Evelyn Beasley, and unanimously approved.

**ACTION: CERTIFICATE OF NEED for Walden Sierra Substance Abuse ICF Expansion and Relocation, Docket No. 02-18-2097, is hereby APPROVED.**

#### **ITEM 8.**

##### **Hearing and Meeting Schedule**

Chairman Wilson announced that the next scheduled meeting of the Maryland Health Care Commission will be on Tuesday, December 10, 2002 at 4160 Patterson Avenue, Room 100, in Baltimore, Maryland at 1:00 p.m. The Hearing and Meetings Schedule was available at the documents table as well as on the Commission's website.

#### **ITEM 9.**

##### **Adjournment**

There being no further business, the meeting was adjourned at 2:00p.m. upon motion of Vice Chairman Malouf, which was seconded by Commissioner Ginsburg, and unanimously approved by the Commissioners.